



**Commissioner Donna Lee H. Williams**

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**FORMS AND RATES BULLETIN NO. 27**

**TITLE INSURANCE FILING REQUIREMENTS**

**TO:** ALL INSURANCE COMPANIES WRITING TITLE INSURANCE

**FROM:** Donna Lee H. Williams, Insurance Commissioner  
State of Delaware Insurance Department

**I. Purpose**

The Department recognizes the unique nature of title insurance and the manner by which title insurance is sold in Delaware. The purpose of this bulletin is to provide guidance to title rating organizations in making current and future filings on behalf of their member insurers as well as for insurers who are not members of a title rating organization.

**II. General Propositions**

Title 18 Chapter 25 of the Delaware Code was amended to allow title insurers to form a Delaware rating organization or bureau. The title rating bureau or organization is allowed to operate pursuant to 18 *Del. C.* § 2511. Forms and Rates Bulletin No. 5, promulgated under the authority of 18 *Del. C.* §§ 315 and 2501 et, seq., specified the framework under which advisory/rating organizations and participating insurers in advisory/rating organizations will operate in a loss cost system.

Due the unique nature of the title insurance market in Delaware, the Delaware Title Insurance Rate Bureau has requested an exemption from the filing format prescribed in Bulletin No. 5. The Bureau proposes to file a rate manual that includes initial rates to be used with forms and endorsements and, with respect to future filings, that it be allowed to file a rating format that is consistent with the rate making approach used by title insurance rating bureaus in other states that, like Delaware, require property and casualty

rating bureaus to submit loss cost filings. Currently, there is no credible historic data, particularly with regard to expenses, that the rating bureau could use in preparing the initial rates.

### **III. FILING GUIDANCE – RATING BUREAU**

The Department recognizes the unique nature of title insurance and the difficulties that poses for title rating bureaus and will, therefore, allow an exception to the requirements of using the rating format (loss cost) prescribed in Bulletin No. 5. However, for the same effective date, the Delaware Title Insurance Rate Bureau must have an approved statistical plan in place. The plan should allow for collection and aggregation of sufficient premium, loss and expense data to enable the Delaware Insurance Department to monitor rate adequacy.

For all Delaware Title Insurance Bureau filings subsequent to the initial filing, aggregated data, including expense data, should be supplied in support of proposed rates.

For individual company filings to adopt the Bureau rates, individual companies should file expense data categorized in a format similar to the bureau's statistical plan. The Delaware Department of Insurance will review the company filings to determine if deviations are warranted.

Applicable fees associated with forms and rates should accompany the filings in accordance with 18 *Del. C.* § 702.

### **IV. Filing Guidance – Non Bureau Insurers**

All insurers that are not members of the Delaware Title Rating Bureau should file rates and forms with the Department of Insurance as in past years with the applicable fees associated in accordance with 18 *Del. C.* § 702.

### **V. Cost of Review**

The Delaware Insurance Department utilizes the services of an outside actuarial firm to review its rate filings. The cost associated with the review of aggregated company data filed with the Department will be borne by the Delaware Title Rating Bureau or any insurer not a member of the Bureau.

The contact person at the Delaware Insurance Department is Mr. Darryl Reese. The mailing address is Delaware Insurance Department, 841 Silver Lake Boulevard, Dover, DE 19904-2465.

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*Donna Lee Williams*  
Donna Lee H. Williams  
Insurance Commissioner

